

REDACTED – FOR PUBLIC INSPECTION

VIA ECFS

June 18, 2015

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, D.C. 20554

RE: **REQUEST FOR CONFIDENTIAL TREATMENT**
WC Docket No. 14-58 - ETC Annual Reports and Certifications

Request that Information Submitted to the Commission be Withheld from Public Inspection Pursuant to 47 C.F.R. §0.459 and 5 U.S.C. §552(b)(4): Five-Year Service Quality Improvement Plan Progress Report included in FCC Form 481

Confidential Financial Information – Subject to Protective Order in WC Docket Nos. 10-90, 07-135, 05-337, 03-109, 14-58, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Before the Federal Communications Commission

Dear Ms. Dortch:

In accordance with the annual reporting requirements of 47 C.F.R. §§54.313 and 54.422, Lipan Telephone Company (the Company), Study Area Code 442105 is submitting a completed FCC Form 481 to the Commission via its Electronic Comment Filing System (ECFS) in WC Docket No. 14-58. The Company, by its authorized representative, hereby requests confidential treatment of two attachments to its FCC Form 481: (1) the five-year service quality improvement plan progress report and (2) the financial annual report, both of which were redacted in the ECFS submission. The request for confidential treatment of the five-year plan progress report is being made pursuant to Section 0.459 of the Commission's rules and Exemption 4 of the Freedom of Information Act (FOIA).

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The request for confidential treatment of the financial annual report is being made pursuant to the FCC's June 17, 2015 *Protective Order* in WC Docket No. 10-90 *et al.* These attachments contain competitively sensitive data that Lipan Telephone Company maintains as confidential and does not normally make available to the public. Release of this information would have a substantial negative impact on the Company.

Five-Year Service Quality Improvement Plan Progress Report

Pursuant to Section 0.459 of the Commission's rules and Exemption 4 of FOIA, Lipan Telephone Company requests that the text and data extracted from its five-year service quality improvement plan progress report be withheld from public inspection because it contains competitively sensitive commercial and financial information that the Company keeps confidential. Public availability of this information would have a substantial negative impact on the Company.

In accordance with Section 0.459 of the Commission's rules, the following information is provided in support of this request:

(1) Identification of the specific information for which confidential treatment is sought:

Attachment to Line 112 of FCC Form 481 – Five-Year Service Quality Improvement Plan Progress Report. Specifically, confidential treatment is sought for all information in the five-year plan progress report related to the Company's access line counts, existing broadband capabilities, and current and planned financial investments in its network that will improve service quality, service coverage, and/or service capacity for its customers.

(2) Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission:

The information was submitted in WC Docket No. 14-58 as an attachment to FCC Form 481- the Carrier Annual Reporting Data Collection Form. Section 100 of FCC Form 481 requires incumbent local exchange carriers receiving high cost support to attach a progress report on its five-year service quality improvement plan, pursuant to 47 C.F.R. §54.313(a)(1).

(3) Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged:

The five-year service quality improvement plan progress report contains granular information on the Company's access line counts and/or existing broadband capabilities as well as recent and planned capital investments in its network to improve service quality, service coverage, and/or service capacity. It also contains a



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map of the Company's service area detailing progress toward meeting broadband deployment targets at the wire center level. This is closely guarded, privileged information that the Company does not make publicly available.

- (4) Explanation of the degree to which the information concerns a service that is subject to competition:

Broadband is subject to increasing competition in the areas served by rural, rate-of-return incumbent local exchange carriers (RLECs). Virtually all RLECs face competition from one or more wireless Internet service providers. Most RLECs also face competition from at least one other wireline broadband provider, such as a larger cable company, who will typically seek to "cherry pick" the lower cost portions of the study area. In addition, all RLECs face competition throughout their territories from satellite broadband providers.

- (5) Explanation of how disclosure of the information could result in substantial competitive harm:

Disclosure of the information contained in the five-year plan progress report would provide competitors with detailed, granular information regarding the Company's access line count, its existing broadband capabilities, and its recent and planned network investments that improve service quality, coverage, and/or capacity for subscribers. This would give competitors invaluable confidential information with which to develop their own strategies for investing in the service area, thereby bringing substantial competitive harm to the Company.

- (6) Identification of any measures taken by the submitting party to prevent unauthorized disclosure:

The Company has continually treated the extracted information in its five-year plan progress report as confidential and carefully controls the information to protect it from competitors. Access to the information is limited to employees that require it and to non-employees with confidentiality obligations such as lenders, consultants, auditors, and attorneys. In addition, when such information is required to be submitted to a state regulatory authority it has been filed as confidential information, not available to the public.

- (7) Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties:

The redacted information in the five-year plan progress report is not available to the public, and third-party access is limited as described in (6) above.

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- (8) Justification of the period during which the submitting party asserts that material should not be available for public disclosure:

The Company requests that the extracted information be withheld from public inspection indefinitely. The information in the five-year plan progress report details the Company's most recent network upgrades in relation to its previously submitted service quality improvement plan. It may also contain upcoming planned network improvements during the five-year period ending 2019. This information would provide a very useful baseline for competitors for several years beyond that period.

- (9) Any other information that the party seeking confidential information treatment believes may be useful in assessing whether its request for confidentiality should be granted:

Exemption 4 of FOIA shields from public disclosure commercial or financial information obtained from a person that is privileged or confidential. Based on the responses provided above, the information in question satisfies this test.

Financial Annual Report

Section 3005 of FCC Form 481 requires a privately-held rate-of-return carrier receiving high cost support to attach a full and complete annual report of the company's financial condition and operations pursuant to 47 C.F.R. §54.313(f)(2). Lipan Telephone Company seeks confidential treatment of its financial annual report pursuant to the June 17, 2015 *Protective Order* in WC Docket No. 10-90, *et al.*¹ The *Protective Order* specifically covers information filed pursuant to 47 C.F.R. §54.313(f)(2).

Lipan Telephone Company is providing to the Office of the Secretary, under seal, this cover letter and the Form 481 filing which includes the confidential information that is being requested to be withheld from public inspection.

Each page of the five-year service quality improvement plan progress report confidential submission bears the legend, "CONFIDENTIAL – NOT FOR PUBLIC DISCLOSURE."

Each page of the financial annual report confidential submission bears the legend, "CONFIDENTIAL FINANCIAL INFORMATION – SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, 14-58, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION."

¹ *Connect America Fund et al.*, WC Docket No. 10-90 *et al.*, Protective Order, DA 15-712 (rel. June 17, 2015).

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Two copies of the Form 481 filing in redacted form and an accompanying cover letter are also being provided with the confidential filing. Each page of the redacted filing and accompanying cover letter is marked "REDACTED – FOR PUBLIC INSPECTION."

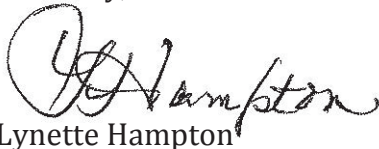
Two copies of this cover letter and the Form 481 filing with the confidential information are also being delivered to Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau.

The confidential information has also been submitted to the Universal Service Administrative Company through its E-File system as attachments to the FCC Form 481.

This cover letter includes no confidential information and the text is the same in both the non-redacted and redacted versions except for the confidentiality markings.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Lynette Hampton". The signature is fluid and cursive, with the first name "Lynette" written in a larger, more prominent script than the last name "Hampton".

Lynette Hampton
Authorized Representative for
Lipan Telephone Company

LH/pjf

Enclosures

cc: Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau, Federal Communications Commission, (2 hardcopies of non-redacted submission)

Mr. John Howard, Lipan Telephone Company

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010> Study Area Code	442105
<015> Study Area Name	LIPAN TEL CO
<020> Program Year	2016
<030> Contact Name: Person USAC should contact with questions about this data	Beth Howard
<035> Contact Telephone Number: Number of the person identified in data line <030>	2546462211 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	bethh@lipan.net

ANNUAL REPORTING FOR ALL CARRIERS		54.313 Completion Required	54.422 Completion Required
		(check box when complete)	
<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<300> Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<310> Detail on Attempts (voice)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<330> Detail on Attempts (broadband)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)			
<410> Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420> Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<440> Fixed	0.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<450> Mobile	0.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> <div style="border: 1px solid black; padding: 2px;">442105tx510.pdf</div>	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> <div style="border: 1px solid black; padding: 2px;">442105tx610.pdf</div>	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1000> Voice Services Rate Comparability Certification	Yes <input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1010> <div style="border: 1px solid black; padding: 2px;">442105tx1010.pdf</div>	(attach descriptive document)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1100> Certify whether terrestrial backhaul options exist (Yes or No) <input checked="" type="radio"/> <input type="radio"/>	(if not, check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1110>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<2005>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(100) Service Quality Improvement Reporting
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	442105
<015>	Study Area Name	LIPAN TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	
<035>	Contact Telephone Number - Number of person identified in data line <030>	Beth Howard 2546462211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bethh@lipan.net
<110>	Has your company received its ETC certification from the FCC? If your answer to Line <110> is yes, do you have an existing "5 year plan" filed with the FCC?	<div><div><input type="radio"/></div><div><input checked="" type="radio"/></div><div>(yes / no)</div></div> <div><div><input type="radio"/></div><div><input type="radio"/></div><div>(yes / no)</div></div>
<111>		

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.



Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113>	Maps detailing progress towards meeting plan targets	<div><div><input type="radio"/></div><div><input type="radio"/></div><div>Yes</div></div>
<114>	Report how much universal service (USF) support was received	<div><div><input type="radio"/></div><div><input type="radio"/></div><div>Yes</div></div>
<115>	How much (USF) was used to improve service quality and how support was used to improve service quality	<div><div><input type="radio"/></div><div><input type="radio"/></div><div>Yes</div></div>
<116>	How much (USF) was used to improve service coverage and how support was used to improve service coverage	<div><div><input type="radio"/></div><div><input type="radio"/></div><div>Yes</div></div>
<117>	How much (USF) was used to improve service capacity and how support was used to improve service capacity	<div><div><input type="radio"/></div><div><input type="radio"/></div><div>Yes</div></div>
<118>	Provide an explanation of network improvement targets not met in the prior calendar year.	<div><div><input type="radio"/></div><div><input type="radio"/></div><div>Not Applicable</div></div>

**(800) Operating Companies
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	442105
<015>	Study Area Name	LIPAN TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Beth Howard
<035>	Contact Telephone Number - Number of person identified in data line <030>	2546462211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bethh@lipan.net
<810>	Reporting Carrier	LIPAN TELEPHONE COMPANY, INC.
<811>	Holding Company	Not Applicable
<812>	Operating Company	LIPAN TELEPHONE COMPANY, INC.

[illegible]

(900) Tribal Lands Reporting
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	442105
<015>	Study Area Name	LIPAN TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Beth Howard
<035>	Contact Telephone Number - Number of person identified in data line <030>	2546462211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bethh@lipan.net

<910>	Tribal Land(s) on which ETC Serves	
-------	------------------------------------	--

<920>	Tribal Government Engagement Obligation	
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Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable

(1100) No Terrestrial Backhaul Reporting		FCC Form 481	
Data Collection Form		OMB Control No. 3060-0986/OMB Control No. 3060-0819	
		July 2013	

<010>	Study Area Code	442105
<015>	Study Area Name	LIPAN TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Beth Howard
<035>	Contact Telephone Number - Number of person identified in data line <030>	2546462211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bethh@lipan.net

<1120> Please confirm whether terrestrial backhaul options exist within the supported area pursuant to § 54.313(g) (Yes, No).

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

(1200) Terms and Condition for Lifeline Customers

Lifeline Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	442105
<015>	Study Area Name	LIPAN TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Beth Howard
<035>	Contact Telephone Number - Number of person identified in data line <030>	2546462211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bethh@lipan.net

<1210>	Terms & Conditions of Voice Telephony Lifeline Plans	<div>442105tx1210.pdf</div>	Name of Attached Document
<1220>	Link to Public Website	HTTP	

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221>	Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,	<input checked="" type="checkbox"/>
<1222>	Details on the number of minutes provided as part of the plan,	<input checked="" type="checkbox"/>
<1223>	Additional charges for toll calls, and rates for each such plan.	<input checked="" type="checkbox"/>

(2000) Price Cap Carrier Additional Documentation

Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<010>	Study Area Code	442105
<015>	Study Area Name	LIFAN TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	BETH HOWARD
<035>	Contact Telephone Number - Number of person identified in data line <030>	254662211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bethn@lifan.net

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting	
<2010>	2nd Year Certification {47 CFR § 54.313(b)(1)i}
<2011a>	3rd Year Certification {47 CFR § 54.313(b)(1)ii}
<2011b>	Attachment {47 CFR § 54.313(b)(1)ii}
Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}	
<2012>	2013 Frozen Support Calculation {47 CFR § 54.313(c)(1)}
<2013>	2014 Frozen Support Calculation {47 CFR § 54.313(c)(2)}
<2014>	2015 Frozen Support Calculation {47 CFR § 54.313(c)(3)}
<2015>	2016 and future Frozen Support Calculation {47 CFR § 54.313(c)(4)}
Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}	
<2016>	Certification Support Used to Build Broadband
Connect America Phase II Reporting {47 CFR § 54.313(e)}	
<2017>	3rd year Broadband Service Certification
<2018>	5th year Broadband Service Certification
<2019>	Interim Progress Certification
<2020>	Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

<2021>	Interim Progress Community Anchor Institutions
--------	--

Name of Attached Document(s) Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation

Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	442105
<015>	Study Area Name	LIPAN TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Beth Howard
<035>	Contact Telephone Number - Number of person identified in data line <030>	2546462211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bethh@lipan.net

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3010)

Progress Report on 5 Year Plan

Milestone Certification (47 CFR § 54.313(f)(1)(i))

442105tx3010.pdf

Name of Attached Document Listing Required Information

(3011)

Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

☒

(3012)

Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))

442105tx3012.pdf

Name of Attached Document Listing Required Information

(3013)

Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))

☒

(3014)

If yes, does your company file the RUS annual report

☒

Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015)

Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)

☒

(3016)

Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

☒

(3017)

If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

442105tx3017.pdf

Name of Attached Document Listing Required Information

(3018)

If the response is no on line 3014, Is your company audited?

☒

If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains

(3019)

Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications

☐

(3020)

Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

☐

(3021)

Management letter and audit opinion issued by the independent certified public accountant that performed the company's financial audit

☐

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

(3022)

Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,

☐

(3023)

Underlying information subjected to a review by an independent certified public accountant

☐

(3024)

Underlying information subjected to an officer certification.

☐

(3025)

Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

☐

(3026)

Attach the worksheet listing required information

Name of Attached Document Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation (Continued)

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

Data Collection Form

<010>	Study Area Code	442105
<015>	Study Area Name	LIPAN TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Beth Howard
<035>	Contact Telephone Number - Number of person identified in data line <030>	2546462211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bethh@lipan.net



- Financial Data Summary
- (3027) Revenue
 - (3028) Operating Expenses
 - (3029) Net Income
 - (3030) Telephone Plant In Service(TPIS)
 - (3031) Total Assets
 - (3032) Total Debt
 - (3033) Total Equity
 - (3034) Dividends

**Certification - Reporting Carrier
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	442105
<015>	Study Area Name	LIPAN TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Beth Howard
<035>	Contact Telephone Number - Number of person identified in data line <030>	2546462211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bethh@lipan.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

<010> Study Area Code	442105
<015> Study Area Name	LIPAN TEL CO
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Beth Howard
<035> Contact Telephone Number - Number of person identified in data line <030>	2546462211 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	bethh@lipan.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>Lynette Hampton</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	<u>Lynette Hampton</u>
Name of Reporting Carrier:	<u>LIPAN TEL CO</u>
Signature of Authorized Officer:	<u>CERTIFIED ONLINE</u> Date: <u>06/17/2015</u>
Printed name of Authorized Officer:	<u>Aleta Howard</u>
Title or position of Authorized Officer:	<u>Secretary/Treasurer</u>
Telephone number of Authorized Officer:	<u>2546462211 ext.</u>
Study Area Code of Reporting Carrier:	<u>442105</u> Filing Due Date for this form: <u>07/01/2015</u>
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	<u>LIPAN TEL CO</u>
Name of Authorized Agent or Employee of Agent:	<u>Lynette Hampton</u>
Signature of Authorized Agent or Employee of Agent:	<u>CERTIFIED ONLINE</u> Date: <u>06/17/2015</u>
Printed name of Authorized Agent or Employee of Agent:	<u>Lynette Hampton</u>
Title or position of Authorized Agent or Employee of Agent:	<u>Authorized Representative</u>
Telephone number of Authorized Agent or Employee of Agent:	<u>5126527725 ext.</u>
Study Area Code of Reporting Carrier:	<u>442105</u> Filing Due Date for this form: <u>07/01/2015</u>
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

442105

LIPAN TEL CO

2016

Beth Howard

2546462211 ext.

bethh@lipan.net

1/1/2015

16.0

[illegible]

**LINE 112 – FIVE-YEAR SERVICE QUALITY IMPROVEMENT PLAN
PROGRESS REPORT**



The Company received \$717,950 in Universal Service Fund (“USF”) support during the period January through April 2015. It projects that it will receive \$363,604 in USF support during the period May-June 2015. The Cooperative therefore projects that its total USF support for the first half of 2015 (Jan.-Jun.) will be \$1,081,554.



Service Quality Improvement Plan Progress Report

Exchange	Description of Improvement	5 Year Plan – 2015 Forecast	2015 Progress (Jan – Jun)
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2015 Progress Report Description





LEGEND	DATE CREATED: 05/06/2015	DATE REVISED: 06/11/2015	DRAWN BY: NP	SCALE: NTS	COMPANY: Lipan Telephone Cooperative, Inc.	SYSTEM: ECLIPSE 5 Year Plan 2015-2019	Map: Lipan Telephone Service Area 1 of 2	CHR Solutions
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LINE 510 - SERVICE QUALITY STANDARDS AND CONSUMER PROTECTION RULES COMPLIANCE

Lipan Telephone Company complies with applicable service quality standards and consumer protection rules for its voice and broadband services.

The rates, terms, and conditions under which the Company operates are outlined in its local exchange tariff, which is approved by the Public Utility Commission of Texas ("Texas PUC"). The tariff contains provisions regarding the Company's customer service and protection practices.

Service quality standards for voice service are established by the state commission. The Company consistently meets or exceeds those standards and provides reports to the state commission, in accordance with the state commission's rules.

With regard to broadband service, the Company provisions its network and equipment to ensure that its customers can enjoy the speeds to which they subscribe. However, Internet speeds generally result from a "best effort" service and are dependent upon a number of variables, many of which are outside the control of the Company.

The Company complies with any and all consumer protection obligations under state law.

The Company also complies with the following consumer best practices: (1) the Company discloses its rates and terms of service to customers; (2) the Company provides specific disclosures in its advertising; (3) the Company separately identifies carrier charges from taxes on its billing statements; (4) the Company provides ready access to customer service; (5) the Company promptly responds to consumer inquiries and complaints received from government agencies; and (6) the Company abides by policies for protection of consumer privacy.

Finally, the Company has a policy and established operating procedures that comply with the FCC's Customer Proprietary Network Information (CPNI) rules (47 C.F.R. §§64.2001-64.2011). Certification of the Company's compliance with CPNI rules and a description of the Company's operating procedures that ensure compliance are filed annually with the FCC.

LINE 610 - ABILITY TO FUNCTION IN EMERGENCY SITUATIONS

Lipan Telephone Company is able to function in emergency situations for both voice and broadband service. The Company has a reasonable amount of back-up power to ensure functionality without an external power source. Standby power generators are supplied at the central office, remote switch sites, and repeater sites to ensure functionality without an external power source until power is restored. The network is capable of managing traffic spikes resulting from emergency situations.

The Company is able to reroute traffic around damaged facilities. Although the Company's ability to reroute traffic around damaged facilities is not absolute and may be limited in certain circumstances, there is a restoration plan in place for expeditious recovery of service, including splicing of damaged facilities when warranted.

LINE 1010 – VOICE SERVICES RATE COMPARABILITY

The Wireline Competition Bureau's most recent reasonable comparability benchmark for voice services is \$47.48, which includes the federal subscriber line charge ("SLC").¹

In the exchanges served by Lipan Telephone Company the highest single-line residential local rate, including any mandatory extended area service charge, is \$16.00. When the federal SLC and the state universal service fee are added, the total is below the reasonable comparability benchmark of \$47.48.

¹ *Wireline Competition Bureau Announces Results of 2015 Urban Rate Survey for Fixed Voice and Broadband Services and Posting of Survey Data and Explanatory Notes*, WC Docket No. 10-90, DA 15-470 (rel. April 16, 2015), p. 1.

LINE 1210 – TERMS & CONDITIONS OF VOICE TELEPHONY LIFELINE PLANS

Lipan Telephone Company (the Company) offers qualified Lifeline subscribers a discount of \$12.75 (comprised of the federal discount of \$9.25 and a state discount of \$3.50) to a stand-alone residential local exchange service line rate.

In all exchanges served by the Company, the Lifeline rate for single-line residential voice service, including any mandatory extended area service charge and the federal subscriber line charge, is \$9.75 (\$22.50 less the \$12.75 discount).

The local exchange service rate includes an unlimited number of local calling minutes. Additional charges for toll calls associated with the residential local exchange service are billed at the rates of the long distance carrier chosen by the subscriber. Lifeline customers may subscribe to packages and custom calling features at the standard rates offered to all customers, in which case the Lifeline discounts will apply to the portion of the package that is for a stand-alone basic local exchange service line. The attached pages from the Company's Local Exchange Tariff include the terms and conditions for Lifeline Service.

LOCAL EXCHANGE SERVICE

VII. LIFELINE PROGRAM

The Lifeline Program is a retail local service offering designed to make telephone service available at reduced rates to qualifying low-income customers.

A. General

1. A qualifying low-income customer subscribing to the Lifeline Program shall receive federal and state reductions to their monthly tariffed residential local exchange access line rate. When a Lifeline customer subscribes to a package of services, those same reductions will apply to that portion of the package rate that is for basic network service. In a two-line package, only one line will receive the Lifeline reductions.
2. Nothing in this section shall prohibit a customer who is otherwise eligible for the Lifeline Program from obtaining and using telecommunications equipment and services designed to aid such customer in utilizing qualifying telecommunications services.
3. Lifeline Program reductions do not apply to surcharges, taxes, long distance service, 976 and other information related telecommunications services, and optional services such as custom calling features. Customers may obtain these services, where available, at their discretion.
4. The Lifeline Program rate reductions do not apply to service connection charges.

LOCAL EXCHANGE SERVICE

VII. LIFELINE PROGRAM (Continued)

A. General (Continued)

5. The Company may not disconnect the service of a Lifeline Program customer for the non-payment of toll charges. However, the Company reserves the right to implement toll blocking, at no charge, if the customer incurs a significant balance of unpaid toll bills. The Company will inform the customer, by direct mail, of this change to their service due to the customer's non-payment of toll charges. Upon the customer's payment of all outstanding toll charges, the Company shall remove mandatory toll blocking at no charge. T
6. Upon subscribing to the Lifeline Program, a customer will be offered a subscription, at no charge, to toll blocking service (in exchanges where technically available) which denies the customer access to the long distance telecommunications network; however, the customer is under no obligation to accept the subscription to toll blocking upon initial subscription to the Lifeline Program. T
7. The Lifeline Program rate reductions will not be available on a retroactive basis unless approved by the Public Utility Commission of Texas or the Low-Income Discount Administrator (LIDA). T

B. Designated Lifeline Program Services

The Company shall offer voice telephony services that provide the following functionalities as designated Lifeline Program services: T

1. Voice grade access to the public switched network or its functional equivalent
2. Minutes of use for local service provided at no additional charge to the customer
3. Access to emergency services
4. Toll blocking service T

LOCAL EXCHANGE SERVICE

VII. LIFELINE PROGRAM (Continued)

C. Eligibility Requirement

1. Qualifying Low-income (Eligible) Customer Criteria

An eligible customer shall be defined as an individual whose annual household income is at or below 150% of the federal poverty guidelines or in whose household resides a person who receives or has a child who receives benefits from at least one of the following programs:

- a. Medicaid
- b. Food Stamps (Supplemental Nutrition Assistance Program) T
- c. Supplemental Security Income (SSI)
- d. Federal Public Housing Assistance (FPHA)
- e. Low-Income Heat and Energy Assistance Program (LIHEAP)
- f. Health benefits coverage under the state Children's Health Insurance Program (CHIP)
- g. National School Lunch Program's Free Lunch Program
- h. Temporary Assistance for Needy Families N

The Lifeline Program rate reductions will be provided per eligible customer. The Low-Income Discount Administrator (LIDA) will provide a list of eligible customers to the Company each month.

2. Obligations of the Customer

- a. Customers whose annual household income is at or below 150% of the federal poverty guidelines or who participate in FPHA or LIHEAP programs may self-enroll for Lifeline Program benefits by completing an application form and returning it to LIDA. LIDA will send a blank application upon customer request. LIDA can be reached at 1-866-4LITEUP. Current customers receiving benefits under Medicaid, Food Stamps, SSI or CHIP will be subject to the Lifeline Program automatic enrollment procedures as provided by the LIDA unless they provide a written request to the LIDA to be excluded from the Lifeline Program.
- b. A customer who is eligible for the Lifeline Program, but does not have telephone service at the time the LIDA provides its eligibility list to the company, shall be responsible for initiating a request for the Lifeline Program from the Company.

By: John Howard
Title: Manager

Effective: June 1, 2012

LOCAL EXCHANGE SERVICE

VII. LIFELINE PROGRAM (Continued)

C. Eligibility Requirement (Continued)

3. Obligations of the Company

- a. LIDA will provide a list of eligible customers to the Company on a monthly basis. Upon receipt of the list, the Company shall begin reduced billing for those customers within 30 days.

T

4. Discontinuance of Service

- a. Discontinuance of Lifeline Discounts for customers automatically enrolled: The eligibility period for automatically enrolled customers is the length of their enrollment in Texas Health and Human Services Commission (THHSC) benefits plus a period of 60 days for renewal. Automatically enrolled customers will have an opportunity to renew their THHSC benefits or self-enrollment with LIDA upon the expiration of their automatic enrollment.
- b. Discontinuance of Lifeline Discounts for customers who have self-enrolled: Individuals not receiving benefits through THHSC programs, but who have met Lifeline income qualifications, are eligible to receive the Lifeline Discount for seven months, which includes a period of 60 days during which the customer may renew their eligibility with LIDA for an additional seven months.

PUBLIC UTILITY COMMISSION OF TEXAS
APPROVED

NOV - 2 '07 DOCKET 34846

CONTROL # _____

By: John Howard
Title: Manager

LOCAL EXCHANGE SERVICE

VII. LIFELINE PROGRAM (Continued)

D. Deposit and Credit Requirements

1. The Company shall be prohibited from charging a service deposit in order to initiate the Lifeline Program if the eligible customer voluntarily elects to receive toll blocking.
2. The Company may charge a service deposit if the eligible customer denies subscription to toll blocking upon subscribing to the Lifeline Program.
3. In instances where the Company may require a service deposit, the same credit verification procedures and deposit regulations used for all applicants who apply for service with the Company are also applicable to eligible customers for the Lifeline Program.

E. Service Connection Charges

1. Service connection charges do not apply to eligible customers with existing qualifying service converting to the Lifeline Program.
2. Service connection charges do apply when:
 - a. Existing eligible customers request additional non-qualifying services at the time Lifeline Program reduced billing is initiated.
 - b. New customers (those without existing local exchange access service) eligible for the Lifeline Program establish service.
 - c. Customers make subsequent moves or changes after initial connection to the Lifeline Program.

D
|
D

LOCAL EXCHANGE SERVICE

VII. LIFELINE PROGRAM (Continued)

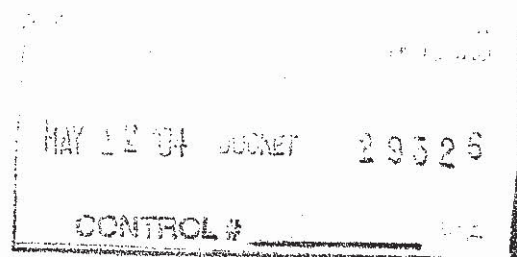
F. Lifeline Program Rate Reduction

1. Implementation

The Company shall provide reduced billing for all Lifeline Program eligible customers within its service area in accordance with the Commission's Substantive Rules.

In instances where a customer inquires about participation in the Lifeline Program, the Company shall provide contact information for LIDA

By: John Howard
Title: Manager



LOCAL EXCHANGE SERVICE

VII. LIFELINE PROGRAM (Continued)

F. Lifeline Program Rate Reduction (Continued)

2. Amounts

The Company shall apply Lifeline Program rate reductions, per eligible customer, as described below.

Monthly
Rate Reduction

- | | | |
|----|---|----------------------------|
| a. | Federal Reduction applied to Federal Subscriber Line Charge and Residential Local Exchange Access Line Charge | 47.C.F.R
Section 54.403 |
| b. | Maximum State Reduction to Residential Local Exchange Access Line Rate | \$3.50 |

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LINE 3010 – MILESTONE CERTIFICATION

Lipan Telephone Company, Inc. (the “Company”) hereby certifies that the Company has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of 4 Mbps downstream/1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to reasonably comparable offerings in urban areas, and that requests for such service are met within a reasonable amount of time.

LINE 3012 – COMMUNITY ANCHOR INSTITUTIONS

Lipan Telephone Company, Inc. did not newly deploy broadband service to any community anchor institutions in the preceding calendar year (2014).

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number The valid OMB control number for this information collection is 0572-0031 The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information

USDA-RUS		This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		BORROWER NAME	
		Lipan Telephone Co., Inc. (Prepared with Audited Data)	
INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.		PERIOD ENDING December, 2014	BORROWER DESIGNATION TX0638
CERTIFICATION			
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.			
ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.			
DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII (Check one of the following)			
<input checked="" type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects			
<input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report			
Aleta Howard		5/1/2015	
		DATE	

PART A. BALANCE SHEET					
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents			25. Accounts Payable		
2. Cash-RUS Construc ion Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. O her Taxes Accrued		
c. Notes Receivable			34. O her Current Liabili ies		
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)		
6. Material-Regulated			LONG-TERM DEBT		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments			37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)			39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development			43. Obliga ions Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. O her Long-Term Debt		
b. Nonrural Development			46. Total Long-Term Debt (36 thru 45)		
13. Nonregulated Investments			OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets			47. O her Long-Term Liabilities		
15. Deferred Charges			48. O her Deferred Credits		
16. Jurisdictional Differences			49. O her Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)			50. Total Other Liabilities and Deferred Credits (47 thru 49)		
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service			51. Cap. Stock Outstand. & Subscribed		
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction			53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation			55. O her Capital		
23. Net Plant (18 thru 21 less 22)			56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins		
			58. Total Equity (51 thru 57)		
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		

Total Equity = % of Total Assets

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

TX0638

PERIOD ENDING

December, 2014

INSTRUCTIONS- See RUS Bulletin 1744-2

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		
2. Network Access Services Revenues		
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues		
6. Uncollectible Revenues		
7. Net Operating Revenues (1 thru 5 less 6)		
8. Plant Specific Operations Expense		
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		
10. Depreciation Expense		
11. Amortization Expense		
12. Customer Operations Expense		
13. Corporate Operations Expense		
14. Total Operating Expenses (8 thru 13)		
15. Operating Income or Margins (7 less 14)		
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		
19. Other Taxes		
20. Total Operating Taxes (17+18+19)		
21. Net Operating Income or Margins (15+16-20)		
22. Interest on Funded Debt		
23. Interest Expense - Capital Leases		
24. Other Interest Expense		
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)		
27. Nonoperating Net Income		
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income		
31. Total Net Income or Margins (21+27+28+29+30-26)		
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year		
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]		
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)		
44. Annual Debt Service Payments		
45. Cash Ratio [(14+20-10-11) / 7]		
46. Operating Accrual Ratio [(14+20+26) / 7]		
47. TIER [(31+26) / 26]		
48. DSCR [(31+26+10+11) / 44]		

<div>USDA-RUS</div> <div>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</div> <div>INSTRUCTIONS - See RUS Bulletin 1744-2</div>		<div>BORROWER DESIGNATION</div> <div>TX0638</div> <div>PERIOD ENDED</div> <div>December, 2014</div>	
Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION			
	1. RATES	2. SUBSCRIBERS (ACCESS LINES)	3. ROUTE MILES
EXCHANGE			
Lipan			
Bluff Dale			
MobileWireless			
Route Mileage Outside Exchange Area			
Total			
No. Exchanges	2		

<p>USDA-RUS</p> <p>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p> <p>INSTRUCTIONS - See RUS Bulletin 1744-2</p>						<p>BORROWER DESIGNATION TX0638</p> <p>PERIOD ENDED December, 2014</p>		
Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION								
4. BROADBAND SERVICE								
Details on Least Expensive Broadband Service								
EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Adver ised Download Rate (Kbps) (d)	Adver ised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Lipan								
Bluff Dale								
Total								

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

TX0638

PERIOD ENDING

December, 2014

INSTRUCTIONS- See RUS Bulletin 1744-2

PART D. SYSTEM DATA

1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile
------------------------	------------------------	------------------------	---------------------------------	-------------------------------

PART E. TOLL DATA

1. Study Area ID Code(s) a. 442105 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____	2. Types of Toll Settlements (Check one)
	Interstate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis
	Intrastate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis

PART F. FUNDS INVESTED IN PLANT DURING YEAR

1. RUS, RTB, & FFB Loan Funds Expended
2. Other Long-Term Loan Funds Expended
3. Funds Expended Under RUS Interim Approval
4. Other Short-Term Loan Funds Expended
5. General Funds Expended (Other than Interim)
6. Salvaged Materials
7. Contribution in Aid to Construction
8. Gross Additions to Telecom. Plant (1 thru 7)

PART G. INVESTMENTS IN AFFILIATED COMPANIES

INVESTMENTS	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance
(a)					
1. Investment in Affiliated Companies - Rural Development					
2. Investment in Affiliated Companies - Nonrural Development					

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

TX0638

PERIOD ENDING

December, 2014

PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority
with jurisdiction over the provision of telephone services? (Check one)

☒

YES

☐

NO

EQUIPMENT CATEGORY

DEPRECIATION RATE

1. Land and support assets - Motor Vehicles
2. Land and support assets - Aircraft
3. Land and support assets - Special purpose vehicles
4. Land and support assets - Garage and other work equipment
5. Land and support assets - Buildings
6. Land and support assets - Furniture and Office equipment
7. Land and support assets - General purpose computers
8. Central Office Switching - Digital
9. Central Office Switching - Analog & Electro-mechanical
10. Central Office Switching - Operator Systems
11. Central Office Transmission - Radio Systems
12. Central Office Transmission - Circuit equipment
13. Information origination/termination - Station apparatus
14. Information origination/termination - Customer premises wiring
15. Information origination/termination - Large private branch exchanges
16. Information origination/termination - Public telephone terminal equipment
17. Information origination/termination - Other terminal equipment
18. Cable and wire facilities - Poles
19. Cable and wire facilities - Aerial cable - Metal
20. Cable and wire facilities - Aerial cable - Fiber
21. Cable and wire facilities - Underground cable - Metal
22. Cable and wire facilities - Underground cable - Fiber
23. Cable and wire facilities - Buried cable - Metal
24. Cable and wire facilities - Buried cable - Fiber
25. Cable and wire facilities - Conduit systems
26. Cable and wire facilities - Other

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		BORROWER DESIGNATION TX0638
INSTRUCTIONS – See help in the online application.		PERIOD ENDED December, 2014
PART I – STATEMENT OF CASH FLOWS		
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		
CASH FLOWS FROM OPERATING ACTIVITIES		
2. Net Income		
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>		
3. Add: Depreciation		
4. Add: Amortization		
5. Other (Explain)		
<i>Changes in Operating Assets and Liabilities</i>		
6. Decrease/(Increase) in Accounts Receivable		
7. Decrease/(Increase) in Materials and Inventory		
8. Decrease/(Increase) in Prepayments and Deferred Charges		
9. Decrease/(Increase) in Other Current Assets		
10. Increase/(Decrease) in Accounts Payable		
11. Increase/(Decrease) in Advance Billings & Payments		
12. Increase/(Decrease) in Other Current Liabilities		
13. Net Cash Provided/(Used) by Operations		
CASH FLOWS FROM FINANCING ACTIVITIES		
14. Decrease/(Increase) in Notes Receivable		
15. Increase/(Decrease) in Notes Payable		
16. Increase/(Decrease) in Customer Deposits		
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		
18. Increase/(Decrease) in Other Liabilities & Deferred Credits		
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		
20. Less: Payment of Dividends		
21. Less: Patronage Capital Credits Retired		
22. Other (Explain)		
23. Net Cash Provided/(Used) by Financing Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
24. Net Capital Expenditures (Property, Plant & Equipment)		
25. Other Long-Term Investments		
26. Other Noncurrent Assets & Jurisdictional Differences		
27. Other (Explain)		
28. Net Cash Provided/(Used) by Investing Activities		
29. Net Increase/(Decrease) in Cash		
30. Ending Cash		

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<div>NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</div>	

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<div>CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</div>	